

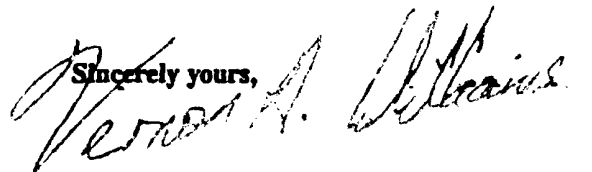
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

5/13/96

Mary Ann Oster
Research Consultant
Oster Research Services
12897 Colonial Drive
Mt. Airy, MD., 21771

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/13/96 at 9:20AM, and assigned recordation number(s). 18976-U, 19740-F, 19740-G and 19740-H.

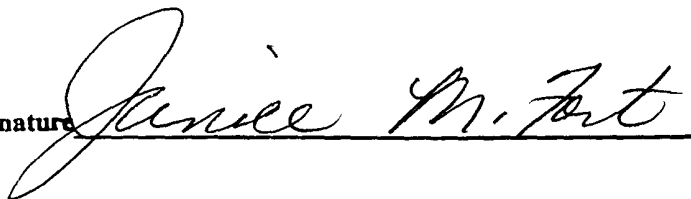
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 84.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



NorRail, Inc.

308 12th Avenue South
Buffalo, MN 55313

19740-08F

SCHEDULE TO LEASE AGREEMENT (EQUIPMENT)

NorRail, Inc. - Lessor
308 12th Avenue South
Buffalo, Minnesota 55313

LESSEE: Dakota, Minnesota & Eastern Railroad Corporation

LEASE NO: 1636

SCHEDULE NO. 4

EQUIPMENT

See Schedule "A" attached hereto and made a part hereof.

Lessor and Lessee agree that, with respect to all Equipment leased by Lessee pursuant to this Schedule No. 4, they will set forth their agreements relating to the amount and payment of rent and Stipulated Loss Values in a separate rent agreement dated as of April 22, 1996 (the "Rent Agreement") entered into contemporaneously with this Schedule. Accordingly, Lessor and Lessee hereby agree that the following terms shall be as defined in the Rent Agreement and shall be deemed incorporated by reference in this Schedule with the same force and effect as if set forth in full herein: Total Cost of Equipment, Initial Term of Lease, Rental Payment Due Date, Total Number of Rent Payments and Stipulated Loss Values. In addition, Lessor and Lessee agree that all other terms and conditions set forth in the Rent Agreement shall be deemed to be incorporated herein by reference with the same force and effect as if set forth in full herein.

Equipment will be delivered to Lessee at East St. Louis, Illinois or other mutually agreed upon location.

Freight and associated charges For the account of Lessee.

Reporting marks Lessor shall arrange to have the Equipment restenciled with the Lessee's designated reporting marks and the AET tags reprogrammed at the expense of Lessor prior to delivery of Equipment to Lessee.

Security Deposit: \$ As set forth in Rent Agreement.

Purchase Option As set forth in Amendment to Rent Agreement.

Rent Payments shall commence upon Lessee's acceptance of the Equipment and shall be made on each Rent Payment Due Date thereafter until the Total Number of Rent Payments has been made.

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described above on the terms and conditions set forth above and pursuant to and subject to all terms and conditions of the Lease Agreement between Lessor and Lessee dated 11/15/95.

Lessor's agreement to lease the Equipment set forth on Schedule A hereto is subject to Lessor's ability to secure permanent financing for such Equipment.

ACCEPTED

DATED AS OF: April 22, 1996

NorRail, Inc.

(LESSOR)

By

[Signature]
(Signature)

Title

Vice President, Marketing

Dakota, Minnesota & Eastern Railroad Corporation

(NAME OF LESSEE)

By

[Signature]
(Signature)

Title

CFO & Treasurer

(If Required)

And By

(Signature)

Title

**SCHEDULE A
to Lease No. 1636**

**Schedule 4
between Dakota, Minnesota & Eastern Railroad Corporation and NorRail, Inc.**

<u>Quantity</u>	<u>Equipment Description</u>	<u>Car Numbers</u>
50 railcars	100 Ton Trucks 4550-4785 Cubic Capacity Trough Hatches Rack and Pinion Outlet Gates	See List Below

- The Equipment will meet all current AAR, FRA, rules and regulations as of the effective date of this Agreement (April 22, 1996).
- The Equipment will have all hatch covers and outlet gates in good operating condition.
- All interior bulkheads will be fixed and secured, and all cracks in the bulkheads in excess of 18" will be welded to the proper specifications.
- The interior of all Equipment will be clean and free of all contamination, and suitable for grain loading.

The Equipment is considered to be satisfactory and acceptable if the Equipment meets all the conditions as outlined in Items A thru D, as listed above.

<u>Old Car #</u>	<u>New Car #</u>
CR 889465	DME 47180
CR 887202	DME 47233
CR 887309	DME 47247
CR 887516	DME 47288
CR 887686	DME 47276
CR 887750	DME 47277
CR 889973	DME 47000
CR 889193	DME 47196
CR 888273	DME 47173
CR 886082	DME 46104
CR 887417	DME 47266
CR 887628	DME 47284
CR 887676	DME 47182
CR 887275	DME 47229
CR 889971	DME 47001
CR 887779	DME 47289
CR 887449	DME 47264
CR 887233	DME 47207
CR 887465	DME 47259
CR 887638	DME 47283
CR 887756	DME 47271
CR 889934	DME 47184
CR 887644	DME 47270
CR 887272	DME 47250
CR 887088	DME 47211

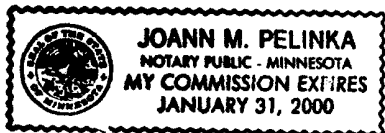
<u>Old Car #</u>	<u>New Car #</u>
CR 887148	DME 47231
CR 886141	DME 46105
CR 886284	DME 46106
CR 886011	DME 46111
CR 887171	DME 47244
CR 888508	DME 47099
CR 890856	DME 47150
CR 886602	DME 47051
CR 888564	DME 47060
CR 890855	DME 47152
CR 888452	DME 47078
CR 890877	DME 47061
CR 890944	DME 47138
CR 890909	DME 47126
CR 886597	DME 47109
CR 886590	DME 47111
CR 890862	DME 47149
CR 890953	DME 47157
CR 888434	DME 47081
CR 890905	DME 47080
CR 890891	DME 47124
CR 888499	DME 47089
CR 886632	DME 47084
CR 890885	DME 47142
CR 888575	DME 47112

STATE OF Minnesota

COUNTY OF Wright

On this 22nd day of April, 1996, before me personally came L. Lee Struble to me known, who, being by me duly sworn, did depose and say that he is the Vice President - Marketing of NorRail, Inc., a Minnesota corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Joann M. Pelinka
Notary Public in and for said State

My commission expires:
1/31/2000

STATE OF South Dakota

COUNTY OF Brookings

On this 22nd day of April, 1996, before me personally came Kurt V. Feaster to me known, who, being by me duly sworn, did depose and say that he is the Chief Financial Officer of Dakota, Minnesota & Eastern Railroad Corporation, a South Dakota corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Joyce E. Hock
Notary Public in and for said State

My commission expires:
5-5-2002

OSTER
Researching Services

12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

19740-~~1~~ F

May 13, 1996

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board
Schedule No. 4 (to Railcar Lease Agreement No. 1636) dated
4/22/96.

Please record this agreement as a secondary document to STB
Recordation #19740. The filing fee of \$21 is enclosed.

Thank you for your assistance.

Sincerely,

Mary A Oster

Mary Ann Oster
Research Consultant

Enclosures

Counterparts - Mary A Oster